

Measuring Utah's Tourism Economy



Utah provides an abundance of recreation opportunities, from the “Greatest Snow on Earth” to magnificent red-rock deserts and beautiful mountains for visitors and locals to enjoy. This issue of TrendLines is looking into various aspects of Utah’s travel, tourism, and recreation industry, and some of the challenges that economists have in measuring its impact.

What generates real wealth for an economy is to produce and sell goods (exports) to those outside the local economy. This brings in additional wealth, which expands the economy. All areas try to find those export goods that others will want. One such good for the State of Utah is travel, tourism, and recreation. But instead of sending a good out, visitors are attracted from outside the area to come and experience that good. Visitors spend income on attractions, activities, lodging, and food, to name just a few. That new income adds to the wellbeing of the local economy.

According to the most recent Utah Travel Council data for 2008, an estimated 20.4 million non-residents visited Utah and spent \$7.1 billion. Visits by non-residents and residents created an estimated 113,030 jobs for Utahns. Travel and recreation are indeed big businesses in Utah.

However, there are many challenges in measuring travel, tourism, and recreation as an industry. Under the national

industrial coding system, there really isn’t a travel, tourism, and recreation industry per se. Instead, it uses a broad industry titled leisure and hospitality, which is primarily made up of accommodations, food services, and recreation. Undoubtedly, these are part of the travel, tourism, and recreation industry, but it also excludes other industries that serve visitors. Because of this, economists look at the various industries and decipher which parts are related to travel activities. Some additions include air transportation, rail transportation, travel planning, scenic sightseeing, retail trade stores, gas stations, auto repairs, and rentals of recreation goods.

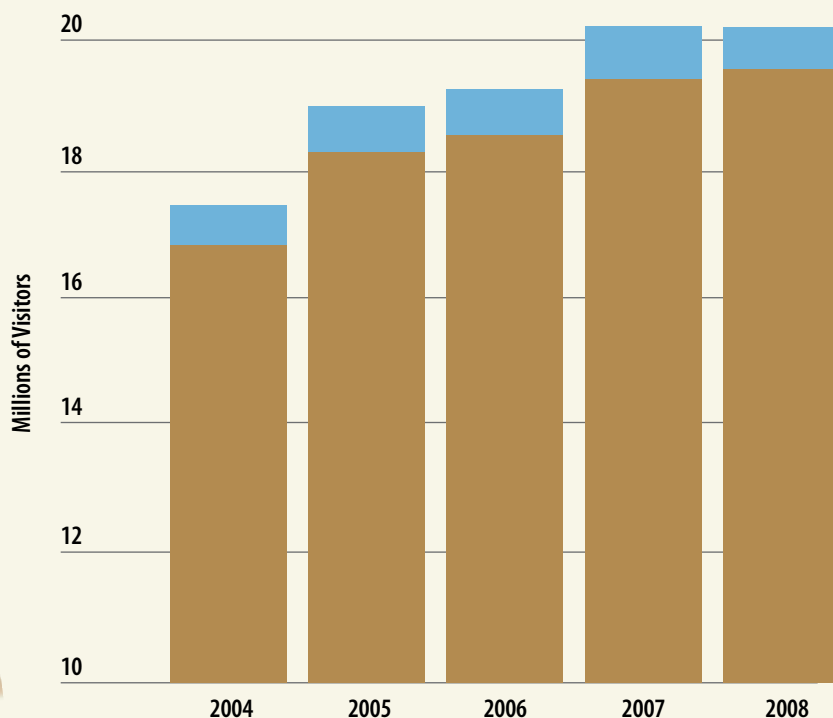
Complicating the matter is that, while visitors use grocery stores, so do locals. So economists try to determine the share of each industry that is related to non-resident visitors. To do this they may do surveys of resident and non-resident visitors to find out what goods they purchase and what services they use. After that, a model is developed from which the impacts of this industry are generated. It should also be noted that outside visitors’ spending and behavior differs from that of in-state

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travelers, and that mix can enhance or diminish economic impacts. For example, non-resident skiers stay longer and spend more at Utah ski resorts than do resident skiers. Another complicating factor is that travel, tourism, and recreation-related industries and jobs are often seasonal in nature, with many offering low pay.

Still, in spite of these challenges to measure its impact, travel, tourism and recreation play a significant role in Utah's economic strength and vitality. Its impact will continue to grow as more visitors come to enjoy the many remarkable opportunities Utah offers. ①

Number of Estimated Non-Resident Visitors to Utah 2004—2008



Source: Utah Travel Council.



See the following links for more information:

- http://travel.utah.gov/research_and_planning/documents/TourismataGlance2008_001.pdf
- <http://www.governor.utah.gov/dea/ERG/2009ERG.pdf>
- <http://jobs.utah.gov/opencms/wi/statewide/ifsheets/accommodationfoodservices.pdf>
- <http://jobs.utah.gov/opencms/wi/statewide/ifsheets/artsentertainment.pdf>
- <http://www.deseretnews.com/article/705315621/Utahs-top-10-For-little-or-no-cost-Utahns-can-enjoy-wealth-of-recreation.html>
- <http://www.bebr.utah.edu/Documents/uebr/UEBR2000/Mar-Apr%202000.pdf>

Foreign Visitors
U.S. Visitors

